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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte KHAI HEE KWAN

Appeal 2009-005756
Application 10/728,222
Technology Center 3600

Decided: September 2, 2009

Before HUBERT C. LORIN, ANTON W. FETTING, and
JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Khai Hee Kwan (Appellant) seeks our review under 35 U.S.C. § 134 of the final rejection of claims 1, 5-8, 12-15, 19 and 20. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We REVERSE. [1]

The "invention calculates a booking fee as a premium according to heuristic rules corresponding with a pre-set delivery date, cost of funds and historical volatility of the prices." Specification 3:13-15.

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

> 1. A method for determining vehicle option premium to purchase or sale a new vehicle over a network connected to a central controller and a plurality of terminals, comprising the steps:
>
> providing a vehicle manufacturer system linked to said network;
>
> receiving over said network at said central controller, vehicle pricing information comprising first data representative of time to delivery of said new vehicle, a second data representative of a delivery destination of said new vehicle and third data representative of a price said user is willing to pay for said new vehicle;

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[1] Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed Apr. 15, 2008) and Reply Brief ("Reply Br.," filed Jun. 24, 2008), and the Examiner's Answer ("Ans.," mailed Jun. 9, 2008).

> calculating at said central controller the vehicle option premium based on said first data and said third data;
>
> outputting the vehicle option premium to the user for decision over said network;
>
> upon acceptance by said user of said vehicle option premium at said central controller, performing a payment transaction for said premium or a deposit over said network; and
>
> creating a vehicle option contract to lock in said third data.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Matthew Wall, *Buy Car Online to Beat British Prices*, Sunday Times, Feb. 25, 2001, at 6, *available* at ProQuest. (Hereinafter, Wall.)

The following rejections are before us for review:

1. Claim 1 is rejected under 25 U.S.C. § 112, 2nd paragraph for failing to particularly point out and distinctly claim the subject matter which Appellant regards as the invention.
2. Claims 1, 5-8, 12-15, 19 and 20 are rejected under 35 U.S.C. § 102(b) as being anticipated by Wall.

ARGUMENTS

The rejection of claim 1 under §112, 2nd paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which Appellant regards as the invention.

The Examiner rejected claim 1 under 35 U.S.C. § 112, 2nd paragraph for failing to particularly point out and distinctly claim the subject matter which Appellant regards as the invention. The Examiner states that "[i]t is ambiguous and confusing as to who or what is providing and receiving the various data" (Ans. 3) and that "[t]o practice the Appellant's invention, one must know where the data is coming from and who is sending the data" (Ans. 6). Further, the Examiner asserts that the user is likely to send the first and second data but not the third, which is more likely to be sent by the manufacturer system. Ans. 3.

In response, the Appellant asserts that one of ordinary skill in the art would know how to practice the invention as claimed (App. Br. 7) and that there is no requirement to recite the identify of the sender of the data (App. Br).

The rejection of claims 1, 5-8, 12-15, 19 and 20 under §102(b) as being anticipated by Wall.

Claims 1, 8, and 15

The Appellant argues that four of the steps recited in claim 1 are not described in Wall. App. Br. 9-10.

First, the Appellant argues that Wall does not inherently describe the step of "providing a vehicle manufacturer system linked to said network." App. Br. 11-12 and Reply Br. 8. The Examiner asserts that a link to a vehicle manufacturer system would be implicit in order to set a retail price. Ans. 7.

Second, the Appellant argues that Wall does not describe the first, second or third data recited in claim 1, nor does Wall describe a step of receiving these data at a central controller. App. Br. 12 and Reply Br. 8-10.

In response, the Examiner states:

> Wall teaches the first data in paragraph 5. Wall teaches that [d]elivery typically takes 12 to 16 weeks … expensive cars. Next, Wall teaches the second data in paragraph 6. Wall teaches [y]ou can either pick up the car yourself, or …extra Pound 799 (including Vat). Lastly, Wall teaches the third data in paragraph 7. Wall teaches [f]or example, a BMW Z8 would cost about Pounds 80,0000 in Britain, but Pounds 9,000 less through Broadspeed.

Ans. 8.

Third, the Appellant argues that Wall does not describe the step of calculating the vehicle option premium *based on the first and third data*. App. Br. 10-11. The Appellant asserts that the Examiner has overlooked the fact that the recited calculating step is not merely calculating the vehicle option premium but is calculating based on the first and third data. Reply Br. 6. The Appellant further asserts that Wall does not explain how the booking fee is calculated and further that the booking fee is not inherently calculated based on the first and third data. Reply Br. 7.

The Examiner asserts that the booking fee in Wall "is inherently calculated based on a profit or loss margin, otherwise Broadspeed would not make any money and would go out of business." Ans. 7.

Fourth, the Appellant argues that Wall does not describe the step of creating a vehicle option contract to lock in said third data. App. Br. 12-13

and Reply Br. 11. The Examiner does not respond to this argument and merely cites to entirety of Wall in the rejection. Ans. 5.

Claims 5 and 12

The Appellant argues that the claim 5 requires a step of posting transaction details accessible by all users and that this step is not described in Wall. App. Br. 14 and Reply Br. 11-12.

The Examiner responds that "it is within the basic knowledge of a skilled artisan that transaction details regarding a purchase of a vehicle option (booking fee) would be available to the consumer involved in the transaction. Posting transaction details to all users (or customers) is old and well known." Ans. 9.

Claims 6, 13, and 19

The Appellant argues that Wall does not teach a vehicle option and therefore does not teach utilizing the vehicle option to make a purchase and update a database as recited in claim 6. App. Br. 14-15 and Reply Br. 12.

The Examiner responds by asserting that Wall teaches that the booking fee locks in the price of the vehicle and is the vehicle option. Ans. 9. Further, the Examiner asserts that by accepting the purchase price, which includes the booking fee, the option has been used. *Id.*

Claims 7, 14, and 20

The Appellant argues that claim 7 relates to the sale of a vehicle by the user using the vehicle option instead of the purchase of the vehicle by the user. App. Br. 15 and Reply Br. 12-13. The Appellant further argues that Broadspeed is not a user as asserted by the Examiner since a user is someone who has a previously obtained vehicle option. App. Br. 15.

The Examiner responds that Wall teaches the selling of vehicles by Broadspeed. Ans. 10.

ISSUES

The issues are:

1. Is claim 1 indefinite under 35 U.S.C. §112, 2nd paragraph because claim 1 does not specify the sender of the first, second and third data, which is received at the central controller over the network?
2. Does Wall either expressly or inherently describe the method recited in claim 1 including the steps of calculating at the central controller the vehicle option premium based on first data, which represents time of delivery of the new vehicle, and the third data, which represents delivery destination of the new vehicle, where the first and third data is received at the central controller over the network?

FINDINGS OF FACT

We find that the following enumerated findings of fact (FF) are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

Claim construction

1. Claim 1 recites a step of "receiving over said network at said central controller, vehicle pricing information comprising first data representative of time to delivery of said new vehicle, a second

data representative of a delivery destination of said new vehicle and third data representative of a price said user is willing to pay for said new vehicle."

2. Claim 1 recites a step of "calculating at said central controller the vehicle option premium based on said first data and said second data."

Wall

3. Wall is an article which describes that buying a car online is cheaper than buying a vehicle in Britain. Pg 1, paragraph 1.
4. Wall provides Broadspeed as an example of a company that specializes in selling vehicles online in Britain. Pg. 1, paragraph 3 and 4.
5. Wall describes that Broadspeed's prices include VAT, 12-months' tax and a Pounds 150 booking fee. Pg 1, paragraph 4.
6. Wall does not describe how the booking fee is calculated.
7. Wall describes that delivery typically takes 12 to 16 weeks depending on the model. Pg. 1, paragraph 4.
8. Wall describes that the main drawback of buying a car online is the wait and that quoted delivery times have a habit of expanding. Pg. 2, paragraph 1.

PRINCIPLES OF LAW

Definiteness

The test for compliance is whether the claims set out and circumscribe a particular area with a reasonable degree of precision and particularity when read in light of the application disclosure as they would be interpreted by

one of ordinary skill in the art. *In re Moore*, 439 F.2d 1232, 1235 (CCPA 1971).

Claim Construction

During examination of a patent application, a pending claim is given the broadest reasonable construction consistent with the specification and should be read in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

> [W]e look to the specification to see if it provides a definition for claim terms, but otherwise apply a broad interpretation. As this court has discussed, this methodology produces claims with only justifiable breadth. *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir. 1984). Further, as applicants may amend claims to narrow their scope, a broad construction during prosecution creates no unfairness to the applicant or patentee. *Am. Acad.*, 367 F.3d at 1364.

In re ICON Health and Fitness, Inc., 496 F.3d 1374, 1379 (Fed. Cir. 2007). Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003).

Anticipation

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987).

ANALYSIS

The rejection of claim 1 under §112, 2nd paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which Appellant regards as the invention.

The Examiner rejected claim 1 as indefinite since the sender of the first, second, and third data is not recited. Ans. 3. The Examiner asserts that this causes claim 1 to be ambiguous since the first, second, and third data could be receive from the user or the vehicle manufacture system. *Id.* However, we find that the scope of claim 1 is broad but not indefinite. "[B]readth is not to be equated with indefiniteness." *In re Miller*, 441 F.2d 689, 693 (CCPA 1971). We note that claim 1 does not restrict the first, second, and third data to being sent by one sender, but encompasses each data being sent by one or multiple senders.

Accordingly, we find that the Appellants have shown that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 112, 2nd paragraph. The rejection of claim 1 under 35 U.S.C. § 112, 2nd paragraph is reversed.

The rejection of claims 1, 5-8, 12-15, 19 and 20 under §102(b) as being anticipated by Wall.

We find that the Examiner has failed to establish a prima facie showing that Wall, either expressly or inherently, describes a step of calculating at the central controller the vehicle option premium based on said first data and said third data as recited in claim 1. It is well settled that in order for the examiner to establish a *prima facie* case of anticipation, each and every element of the claimed invention, arranged as required by the

claim, must be found in a single prior art reference, either expressly or under the principles of inherency. *See generally*, *In re Schreiber*, 128 F.3d 1473, 1477 (Fed. Cir. 1997); *Diversitech Corp. v. Century Steps, Inc.*, 850 F.2d 675, 677-78 (Fed. Cir. 1988); *Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick,* 730 F.2d 1452, 1458 (Fed. Cir. 1984).

Claim 1 recites a step of "calculating at said central controller the vehicle option premium *based on said first data and said third data*." (Emphasis added.) FF 2. Claim 1 also recites a step of receiving vehicle pricing information at a central controller and that the vehicle pricing information comprises first data which is "representative of time to delivery of said new vehicle" and the third data which is "representative of a price said user is willing to pay for said new vehicle." FF 1. Therefore, when considering both of these recited steps, claim 1 requires calculating the vehicle option premium based on first data, which is representative of the time to delivery of the new vehicle, and based on third data, which is representative of a price the user is willing to pay for said new vehicle. The first and third data recited in the calculating step is the same data that was receive over the network at the central controller in the receiving step.

In responding to the Appellant's arguments, the Examiner seems to assert that the Pounds 150 booking fee of Wall reads on the claimed vehicle option premium and that the "booking fee is inherently calculated based on a profit or loss margin, otherwise Broadspeed would not make any money and would go out of business." Ans. 7. However, on page 8 of the Answer, the Examiner equates the recited first data, which is representative of time to delivery of said new vehicle, to Wall's description of a 12 to 16 week delivery time and equates the recited third data, which is representative of a

price the user is willing to pay for the new vehicle, to Wall's description of a price of a vehicle that was booked by a user. The Examiner asserts that these descriptions in Wall read on the claimed step of receiving over a network at a central controller, vehicle pricing information comprising first and third data. Ans. 8.

We find that Wall does not expressly describe a step of calculating the booking fee (FF 6), including calculating the booking fee based on Wall's description of a 12-16 week delivery time (FF 7) and the price of a new vehicle (FF 5), which the Examiner asserts is the claimed first and third data. (Ans. 8). Wall does describe that the price of a new vehicle is based on the booking fee (FF 5) and not the reverse. Further, we find that the booking fee of Wall is not inherently calculated based on the 12-16 week delivery time and the price of a new vehicle. Under principles of inherency, when a reference is silent about an asserted inherent characteristic, it must be clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. *Continental Can Co. v. Monsanto Co.*, 948 F.2d 1264, 1268 (Fed. Cir. 1991). As the Examiner contends, the booking fee could be calculated based on a profit or loss margin (Ans. 7) and not necessarily based on based on the 12-16 week delivery time and the price of a new vehicle.

Therefore, the Examiner has not established a prima facie showing that Wall either expressly or inherently describes a step of calculating at the central controller the vehicle option premium based on said first data and said third data as recited in claim 1. Accordingly, the Appellant has shown

that the Examiner erred in rejecting claims 1, and claims 5-8, 12-15, 19, and 20 dependent thereon, under 35 U.S.C. § 102(b) as anticipated by Wall.

CONCLUSIONS OF LAW

We conclude that the Appellant has shown that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 112, 2nd paragraph and claims 1, 5-8, 12-15, 19, and 20 under 35 U.S.C. § 103(a) as unpatentable over Wall.

DECISION

The decision of the Examiner to reject claims 1, 5-8, 12-15, 19 and 20 is reversed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

REVERSED

mev

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